

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

In re:

Chapter 11

MERCY HOSPITAL, IOWA CITY,
IOWA, et al.

Case No. 23-00623 (TJC)

Debtors

**SUPPLEMENTAL OBJECTION TO DEBTORS' MOTION FOR ENTRY OF
PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW (I) APPROVING
THE SALE OF THE DEBTORS' BENEFICIAL INTEREST IN THE THOMPSON
TRUST FREE AND CLEAR OF LIENS, CLAIMS, INTEREST, AND
ENCUMBRANCES; (II) MODIFYING TERMS OF THE THOMPSON TRUST; AND
(III) GRANTING RELATED RELIEF**

COMES NOW, MidWestOne Bank, Trustee of the Thompson Brothers Trust (hereafter, the "Trustee"), and hereby objects to the Debtors' Motion for Entry of Proposed Findings of Fact and Conclusions of Law (I) Approving the Sale of the Debtors' Beneficial Interest in the Thompson Trust Free and Clear of Liens, Claims, Interest, and Encumbrances; (II) Modifying Terms of the Thompson Trust; and (III) Granting Related Relief (hereafter, the "Motion"). In support of this Supplemental Objection, the Trustee respectfully submits the following:

1. The Debtors' Motion requests application of the *cy pres* doctrine and modification of the terms of the Thompson Trust.

2. Iowa Code Section 633A.6101 provides "the district court sitting in probate has exclusive jurisdiction of proceedings concerning the internal affairs of a trust and of actions and proceedings to determine the existence of a trust, actions and proceedings by or against creditors or debtors of a trust, and other actions and proceedings involving a trust and third persons." (emphasis added)

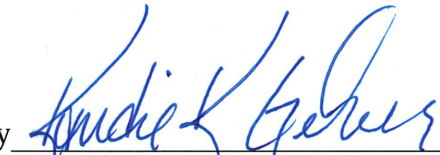
3. Pursuant to the clear language of the aforementioned statute, the Bankruptcy Court does not have subject matter jurisdiction over this issue.

WHEREFORE, the Trustee reasserts its requests the Debtors' Motion for Entry of Proposed Findings of Fact and Conclusions of Law (I) Approving the Sale of the Debtors' Beneficial Interest in the Thompson Trust Free and Clear of Liens, Claims, Interest, and Encumbrances; (II) Modifying Terms of the Thompson Trust; and (III) Granting Related Relief is denied.

DATED this 6th day of June, 2024.

KENNEDY LAW FIRM PC

By



Kandie K. Gelner AT0001064
920 S. Dubuque St., P.O. Box 2000
Iowa City, IA 52244

Tel: (319) 351-8181

Fax: (319) 351-0605

Email: kgelner@kennedylawyers.com

ATTORNEY FOR TRUSTEE